NUTRITION SERVICES DIVISION
MANAGEMENT BULLETIN

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TO:	All Child Nutrition Program Sponsors	**ISSUE DATE:** June 2002
ATTENTION:	Food Program/Food Service Director	
SUBJECT:	Military Income and the Privatization of Military Housing	
REFERENCE:	The Farm Security and Rural Investment Act of 2002	

This Management Bulletin (MB) identifies a change in policy regarding the calculation of income for the determination of free and reduced-price meal eligibility for military families. This policy applies to all School Nutrition Programs, the Child and Adult Care Food Program, and the Summer Food Service Program.

Housing allowances given to military families for on-base, privatized housing **must not** be counted in the calculation of income for the determination of eligibility for free and reduced meals and free milk. Section 4302 of the Farm Security and Rural Investment Act of 2002 excludes these benefits from income consideration.

The reason on-base, privatized housing allowances are not counted as income is that they are not actually received by military personnel and only appear on their leave and earnings statements. However, housing allowances given to military families to offset the cost of private, off-base housing must be declared, along with all other sources of income, in the statement of total family or household income. Such allowances are actual cash benefits that are received by the families and are thus considered a source of household income.

If you have any questions, please contact your nutrition services representative, the Field Services Unit at (916) 445-0850 or (800) 952-5609, or John Copley at (916) 323-6631 or jcopley@cde.ca.gov.

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Delaine Eastin - Superintendent of Public Instruction